

<b>PROGRAM NAME</b>	<b>Public Sector Custom (2011 through 2014)</b>
<b>Objective</b>	Provide public sector markets with financial incentives for electric and gas energy efficiency improvements based upon a technical engineering analysis. The purpose of the program is to encourage implementation of complex efficiency measures not well covered by the prescriptive program. This program will offer customized incentives based on calculated savings for specific customer projects.
<b>Target Market</b>	Units of Local Government, Municipal Corporations, K-12 Schools, Community Colleges, State and Federal Facilities, and State Universities seeking to improve the efficiency of existing facilities through the implementation of energy measures not covered by other incentive programs. Key markets among public sector customers for this program will likely include large scale projects and facilities such as public hospitals, municipal water pumping and waste water treatment facilities, university campus systems, and other large public customers.
<b>Program Duration</b>	This program started in 2008 under the EEPS program as an all electric program. It will continue over the next three years (June 2011 through May 2014) as an integrated electric and gas program.
<b>Program Description</b>	<p>The Public Sector Custom Program will provide financial incentives for kWh and therm reductions available at the time of new equipment purchases, facility modifications, or large process improvements. Such improvements may be identified through the design assistance program (SEDAC), energy performance contracting providers, the large customer Energy Assistance program (LEAP), or other technical engineering analyses. The program is designed to be complementary with the Public Sector Standard Prescriptive program in order to cover efficiency improvements not explicitly covered by that program.</p> <p>DCEO program manager or implementation contractor will conduct an internal review of all custom incentive applications to verify savings calculations and DCEO reserves the right to site-verify data prior to or after approval and incentive payment.</p>
<b>Eligible Measures</b>	Any public sector cost-effective electric and gas energy efficiency measures that are not covered by the Prescriptive Program incentives or incentives provided through other programs in the portfolio.
<b>Implementation Strategy</b>	<p>The program will be administered by DCEO with contractor assistance as necessary. Efficiency measure implementation and installation will be the responsibility of the customer. Participation in this program will be driven through all aspects of the DCEO market transformation and outreach programs:</p> <p>Trade allies, Smart Energy Design Assistance (SEDAC), DCEO performance contracting, LEAP program, Energy Resources Center, coordination with the utility programs, direct outreach by the DCEO program manager and his/her associates, and other mechanisms as appropriate.</p> <p>Guidelines for application to this program will be issued annually. DCEO reserves the right to site-verify installations prior to and/or after approval of participation in the program</p>

<b>Marketing Strategy</b>	<p>The success of this program during the first three years of the EEPS program was based mostly on direct interaction of DCEO senior management and/or their key partners with senior representatives at public universities, hospitals, municipal corporations, waste water treatment facilities and other similar large projects. DCEO intends to continue this approach and develop sub-programs that will target specific markets.</p> <p>DCEO will also continue to market through its regional staff offices, state of Illinois press office, elected officials to do program announcements in their territories, DCEO energy website, participation in trade shows, webinars, and workshops, and through coordinated efforts with the electric and gas utilities. DCEO has developed an EEPS brand - Illinois Energy Now - that will provide more visibility and awareness of the programs.</p>
<b>Incentive Strategy</b>	<p>Incentives will be based on per kWh and per therm value, subject to certain caps as described below. The incentive amount is subject to modification as needed to balance the program's financial requirements and savings targets.</p> <p>Caps that would reduce the total incentive amount include:</p> <ul style="list-style-type: none"> <li>• The incentive for each measure may not exceed 75% of the incremental cost for retrofits and 100% of the incremental cost for replacement</li> <li>• Total incentives may be reduced if the project's energy savings provide the applicant with simple payback below 1 year</li> <li>• Total incentive may be reduced if it exceeds a maximum per-project incentive cap that DCEO may establish during the final program design process</li> </ul>
<b>Milestones</b>	<ul style="list-style-type: none"> <li>• <b>February 2011:</b> Commission approval</li> <li>• <b>March-May:</b> Final program design and protocol development</li> <li>• <b>June 2011:</b> Public Sector Custom Program Launched for 2011 through 2014</li> </ul>
<b>EM&amp;V Requirements</b>	<p>To minimize program costs, anticipated savings will be estimated and agreed on for all appropriate projects. It is expected that applicants will use info from their energy services contractor or SEDAC evaluation to estimate energy savings. After implementation of the efficiency measures, projects will be subject to post inspection to confirm proper installation and conformance with the measure specification. A statistically selected sample of implemented projects will be evaluated to confirm savings persistence. For those measures where reliable estimates of savings cannot be made prior to implementation, pre and post monitoring may be used to determine savings.</p> <p>DCEO will continue to coordinate the EM&amp;V process with the other utilities, but intends to issue its own EM&amp;V contracts based on a competitive solicitation issued by the DCEO. DCEO believes this is imperative to meet the requirements of a program that spans the entire state.</p>
<b>Administrative Requirements</b>	<p>Program manager responsibilities include final program design, marketing materials development, program marketing and outreach, project management and QA/QC activities, tracking/reporting, and overall goal achievement.</p>

**Estimated Participation**

Based on DCEO experience with this program over the last three years, more than adequate demand for the Public Sector Custom Program is expected. Actual participation levels will vary based on the size of the projects funded and the negotiated incentive levels.

**Estimated Budget**

<b>Electric Budget Information Total Program</b>				
<b>Budget Category</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Total</b>
<b>Incentive Costs</b>	\$6,720,000	\$6,852,000	\$6,912,000	\$20,484,000
<b>Implementation Costs</b>	\$746,667	\$761,333	\$768,000	\$2,276,000
<b>Total</b>	<b>\$7,466,667</b>	<b>\$7,613,333</b>	<b>\$7,680,000</b>	<b>\$22,760,000</b>
<b>ComEd (73%)</b>				
<b>Budget Category</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Total</b>
<b>Incentive Costs</b>	\$4,905,600	\$5,001,960	\$5,045,760	\$14,953,320
<b>Implementation Costs</b>	\$545,067	\$555,773	\$560,640	\$1,661,480
<b>Total</b>	<b>\$5,450,667</b>	<b>\$5,557,733</b>	<b>\$5,606,400</b>	<b>\$16,614,800</b>
<b>Ameren (27%)</b>				
<b>Budget Category</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Total</b>
<b>Incentive Costs</b>	\$1,814,400	\$1,850,040	\$1,866,240	\$5,530,680
<b>Implementation Costs</b>	\$201,600	\$205,560	\$207,360	\$614,520
<b>Total</b>	<b>\$2,016,000</b>	<b>\$2,055,600</b>	<b>\$2,073,600</b>	<b>\$6,145,200</b>

<b>Gas Budget Information Total Program</b>				
<b>Budget Category</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Total</b>
<b>Incentive Costs</b>	\$1,532,700	\$1,532,700	\$1,532,700	\$4,598,100
<b>Implementation Costs</b>	\$170,300	\$170,300	\$170,300	\$510,900
<b>Total</b>	<b>\$1,703,000</b>	<b>\$1,703,000</b>	<b>\$1,703,000</b>	<b>\$5,109,000</b>
<b>Ameren (16.9%)</b>				
<b>Budget Category</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Total</b>
<b>Incentive Costs</b>	\$259,026	\$259,026	\$259,026	\$777,079
<b>Implementation Costs</b>	\$28,781	\$28,781	\$28,781	\$86,342
<b>Total</b>	<b>\$287,807</b>	<b>\$287,807</b>	<b>\$287,807</b>	<b>\$863,421</b>

Estimated Budget Cont'd					
	Nicor (56.6%)				
	Budget Category	Year 1	Year 2	Year 3	Total
	Incentive Costs	\$867,508	\$867,508	\$867,508	\$2,602,525
	Implementation Costs	\$96,390	\$96,390	\$96,390	\$289,169
	Total	\$963,898	\$963,898	\$963,898	\$2,891,694
	People's Gas (21.7%)				
	Budget Category	Year 1	Year 2	Year 3	Total
	Incentive Costs	\$332,596	\$332,596	\$332,596	\$997,788
	Implementation Costs	\$36,955	\$36,955	\$36,955	\$110,865
	Total	\$369,551	\$369,551	\$369,551	\$1,108,653
	North Shore (4.8%)				
	Budget Category	Year 1	Year 2	Year 3	Total
	Incentive Costs	\$73,570	\$73,570	\$73,570	\$220,709
	Implementation Costs	\$8,174	\$8,174	\$8,174	\$24,523
	Total	\$81,744	\$81,744	\$81,744	\$245,232
Savings Targets	Net Savings (Gas/Electricity)				
	Electrical Savings (kWh)	Year 1	Year 2	Year 3	Total
	Ameren (27%)	10,886,400	11,100,240	11,197,440	33,184,080
	ComEd (73%)	29,433,600	30,011,760	30,274,560	89,719,920
	Total Electric Savings	40,320,000	41,112,000	41,472,000	122,904,000
	Gas Savings (Therms)	Year 1	Year 2	Year 3	Total
	Ameren (16.9%)	123,978	123,978	123,978	371,935
	Nicor (56.6%)	415,218	415,218	415,218	1,245,653
	People's (21.7%)	159,191	159,191	159,191	477,574
	North Shore (4.8%)	35,213	35,213	35,213	105,638
	Total Gas Savings	733,600	733,600	733,600	2,200,800
Other Program Metrics					
	TRC: 2.23				